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Attorneys for Debtors

## UNITED STATES BANKRUPTCY COURT

## DISTRICT OF NEVADA

In re:  
 USA COMMERCIAL MORTGAGE COMPANY,  
 Debtor.

In re:  
 USA CAPITAL REALTY ADVISORS, LLC,  
 Debtor.

In re:  
 USA CAPITAL DIVERSIFIED TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA CAPITAL FIRST TRUST DEED FUND, LLC,  
 Debtor.

In re:  
 USA SECURITIES, LLC,  
 Debtor.

Affects:  
☒ All Debtors  
☐ USA Commercial Mortgage Company  
☐ USA Securities, LLC  
☐ USA Capital Realty Advisors, LLC  
☐ USA Capital Diversified Trust Deed Fund, LLC  
☐ USA Capital First Trust Deed Fund, LLC

Case No. BK-S-06-10725 LBR  
 Case No. BK-S-06-10726 LBR  
 Case No. BK-S-06-10727 LBR  
 Case No. BK-S-06-10728 LBR  
 Case No. BK-S-06-10729 LBR

Chapter 11

Jointly Administered Under  
 Case No. BK-S-06-10725 LBR

**SUPPLEMENT TO SECOND AND FINAL  
 APPLICATION OF RAY QUINNEY &  
 NEBEKER P.C. FOR COMPENSATION  
 AND REIMBURSEMENT PURSUANT TO  
 11 U.S.C. § 330 FOR THE PERIOD APRIL  
 13, 2006 THROUGH MARCH 12, 2007**

Hearing Date: June 22, 2007  
 Hearing Time: 9:30 a.m.

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Ray Quinney & Nebeker P.C. ("RQN"), counsel to USA Commercial Mortgage Company ("USACM"), USA Capital Realty Advisors, LLC ("USA Realty"), USA Capital Diversified Trust Deed Fund, LLC ("DTDF"), USA Capital First Trust Deed Fund, LLC ("FTDF"), and USA Securities, LLC ("USA Securities") (collectively, the "Debtors"), hereby files this Supplement to Second and Final Application of Ray Quinney & Nebeker P.C. for Compensation and Reimbursement Pursuant to 11 U.S.C. § 330 for the Period April 13, 2006 through March 12, 2007 (the "Supplement").

1. On April 26, 2007, RQN filed its Second and Final Application of Ray Quinney & Nebeker P.C. for Compensation and Reimbursement Pursuant to 11 U.S.C. § 330 for the Period April 13, 2006 through March 12, 2007 (the "Final Application").

2. The Final Application sought compensation for services and reimbursement for actual and necessary expenses RQN provided on behalf of each of the Debtors in the following amounts:

<u>Debtor</u>	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
USA Commercial Mortgage Company	\$2,657,744.77	\$169,965.34	\$2,827,710.11
USA Capital First Trust Deed Fund, LLC	\$547,752.61	\$34,757.47	\$582,510.08
USA Capital Diversified Trust Deed Fund, LLC	\$469,131.71	\$29,836.96	\$498,968.97
USA Capital Realty Advisors, LLC	\$2,629.07	\$172.96	\$2,802.03
USA Capital Securities, LLC	\$1,944.36	\$129.96	\$2,074.31
<b>TOTAL</b>	<b>\$3,679,202.52</b>	<b>\$234,862.68</b>	<b>\$3,914,065.20</b>

3. RQN has not received any objections to the Final Application. However, RQN did receive from the Official Committee of Equity Security Holders of USA Capital First Trust Deed Fund, LLC ("the FTDF Committee") letters detailing discrete allocation objections to RQN's February 2007 monthly invoices and its March 2007 monthly invoices.

4. In evaluating the issues raised in the letter objections from FTDF to RQN's February 1 through March 12 invoices, RQN believes it is appropriate to reallocate \$8,915.50 from FTDF to USACM. Although RQN believes that on an overall basis its allocation of fees to FTDF was appropriate, RQN is willing to make this allocation adjustment in order to resolve the issues raised by the FTDF Committee. RQN believes it is appropriate to reallocate these fees to

1 USACM because they relate to work performed for USACM's benefit (the majority of these fees  
2 are derived from work related to the Placer Vineyards loan servicing matter (\$5,549.00); the Del  
3 Bunch Appeal (\$1,751.75) and the post-closing transition of various loans to Compass Partners,  
4 LLC (\$1,187.50)).

5 5. Furthermore, although no objections to RQN's fees have been raised by any of the  
6 other official committees in these cases, RQN has discussed with Mr. Landis, Assistant United  
7 States Trustee, a voluntary 2% reduction of fees to account for certain technical issues the United  
8 States Trustee may have with the RQN Final Application that are inherent in the large fee  
9 applications of all professionals filed in the Debtors' cases.

10 6. Accordingly, as requested by the United States Trustee, RQN has agreed to  
11 voluntarily reduce its requested compensation by \$73,584.05 (2% of RQN's fees to each of the  
12 Debtors).

13 7. This voluntary reduction is made in addition to the voluntary fee reductions  
14 previously made by RQN in the amount of \$183,837.38 and the 50% voluntary reduction given  
15 the Debtors for fees incurred by RQN in the preparation of RQN's Monthly Statements and the  
16 interim fee application and the Final Application (an estimated \$90,000.00 reduction) as described  
17 in the Final Application..

18 8. Furthermore, RQN has already implicitly provided the Debtors with a significant  
19 reduction by billing at hourly rates significantly lower than the other attorneys employed in this  
20 case. For example, the blended hourly rate for RQN attorneys in this case was \$253.52. The next  
21 lowest blended hourly rate for attorneys was \$291.84 by Beckley Singleton, Chtd.

22 9. By billing at this significantly lower rate, while at the same time providing  
23 exceptional legal services in a very difficult and contentious case (as explained in detail in the  
24 Final Application and its attachments), RQN has implicitly provided an additional benefit to the  
25 estates of at least \$528,465.75 (comparing RQN's blended hourly rate with the next lowest rate).

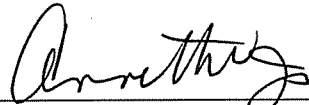
26 10. Additionally, RQN has agreed not to pursue its request for a fee enhancement.  
27 RQN requested the fee enhancement largely in part because of the implicit reduction RQN was  
28 already taking on its low hourly rates and wanted to reserve its rights to seek an enhancement if

the requested time reductions were too large. However, given the agreement reached with the United States Trustee on the 2% reduction, and the lack of any other formal objection to the Final Application, RQN is withdrawing any enhancement request.

11. Accordingly, RQN respectfully requests that the Court approve and award final compensation and expense reimbursement to RQN, adjusted as follows:

<u>Debtor</u>	<u>Fees</u>	<u>Expenses</u>	<u>Total</u>
USA Commercial Mortgage Company	\$2,613,327.07	\$169,965.33	\$2,783,292.40
USA Capital First Trust Deed Fund, LLC	\$528,060.36	\$34,757.47	\$562,817.83
USA Capital Diversified Trust Deed Fund, LLC	\$459,749.08	\$29,836.96	\$489,586.04
USA Capital Realty Advisors, LLC	\$2,576.49	\$172.96	\$2,749.45
USA Capital Securities, LLC	\$1,905.47	\$129.96	\$2,035.43
<b>TOTAL</b>	<b>\$3,605,618.47</b>	<b>\$234,862.68</b>	<b>\$3,840,481.15</b>

Respectfully submitted this 5<sup>th</sup> day of June, 2007.



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